

ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
7:30PM O'NEIL ROOM COMMUNITY SAFETY BUILDING
3/28/12

ATTENDEES:

Bayer*	Padaria	Jenkins	White*	McKenna*
DeCoursey*	Connors	Simmons	Gibian*	
Tosti*	Foskett*	Deyst*	Ronan	
Ferrara*	Beck*	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Turkall*

* Indicates present

VISITORS Selectman Dan Dunn, ACMI

MINUTES: The minutes of 3/26/12 were accepted as corrected. Unanimous

BUD 20 SCHOOLS: Schools SubCom(Fanning) recommended an appropriation as requested by the Superintendent last week. VOTED \$44,642,598 Unanimous.

THOMPSON: Finance SubCom(Foskett) reported that bids were all under the budgeted figure.

ART 14 LIENS FOR UNPAID SCHOOL FEES: Schools SubCom(Fanning) reported that this is a tool to encourage timely payment. A few months ago there was \$80k in unpaid kindergarten fees. After this article was submitted, most of these fees were paid. He noted that aid for low income student families is available. VOTED favorable action or support of the BoS if they vote favorable action. 10-4

ART 47 SPED RESERVE ACCOUNT: Schools SubCom(Fanning) recommended favorable action. He said the SPED account from several years ago is still open with no funds. There was some confusion since the Superintendent seemed to favor a stabilization fund. Members saw no need to require Town Meeting action to draw from this account. VOTED to transfer a sum of money to be determined by the schools to the SPED Reserve Account which will be capped at \$800k. Unanimous.

MM TECH BUILDING PROJECT. Tosti provided 3 handouts: The 2010 Art 58 vote setting conditions for approval by Arlington of the feasibility study (refer to Minutes of 3/21/12), the BoS vote requested by MM Tech (Ref 1), and a summary of the ad hoc subcom's (appointed 2/21/12) thoughts on this matter (Ref 2). Members expressed concern that, though the Regional Agreement Task Force (RATF) had considered all 4 of the issues listed in Art 58 Condition 6, only one received a positive recommendation. The RATF made a positive recommendation on revised capital expense assessment, but this has not been approved by the MM Tech School Committee. In addition, the result of Condition 4 is a recommendation for a school sized for 800 students, much more than are currently being sent by member communities. Art 58 Condition 7 allows any member community to prevent the feasibility study by disapproving the enrollment and RATF conclusions. VOTED to disapprove in a letter to the BoS w/ copy to Superintendent. Unanimous. The ad hoc subcom will draft a letter drawing from Ref 2 for review by the FinCom next week.

NEWS FROM BOS: Dunn reported:

The BoS has sold Crosby to the present tenants for \$2.875m, \$26k in lieu of taxes, and 2 scholarships.

The BoS has recommended the paid parking study but may reconsider.

The BoS wants to change the deferred RE tax rate by tying it to a national economic indicator.

TOWN GOVERNMENT REORGANIZATION COMMITTEE REPORT: After yielded the chair to Fanning, Tosti, using a handout (Ref 3) reported on the Committee's articles.

ART 12 HUMAN RESOURCES: The proposed vote would change mentions of Personnel to Human Resources in the Bylaws. VOTED to let the BoS report with a favorable recommendation from the FinCom. Unanimous.

ART 13 PROGRAM BUDGET: This has not been used by the Town since the 1970s. The proposed vote would deleted the program budget section. VOTED to let the BoS report with a favorable recommendation from the FinCom. Unanimous.

ART 39 RECLASSIFICATIONS Personal SubCom (White), using a handout (Ref 4), recommended 8 reclassifications, all but 2 approved by the Director. In addition the vote would add 6 new positions and delete 8. VOTED \$33,601, w/o adjusting the W&S budget offsets. Unanimous.

BUD 24 HEALTH INSURANCE Finances SubCom (Beck), using a handout (Ref 6), explained the new GIC-based budget which shows a reduction of \$1.28m. 1878 people are covered. The health mitigation fund will cost \$500k in FY13 and will decrease to \$200k in the future. The HRA admin cost is \$50.8k. VOTED \$14,115,214 14-0-1 Beck to breakdown the offsets for FinCom Report.

BUD 24 LIABILITY INSURANCE Finances SubCom (Beck) recommended the budget as printed. VOTED \$990,000. Unanimous.

W&S ENTERPRISE FUND: PubWks SubCom (Ferrara) gave a detailed review using a cross referenced handout (Ref 5). He recommended several corrections. He said that the cost of the water sold to the Town is 31% greater than the total cost of the water sold to rate payers. The meters are old. A particular concern is the MWRA rate projections which increase more than 8% annually most years between FY15 & FY19. VOTED revenues \$18,559,273, expenses \$18,559,273.

COMMITTEE: Next mtg Wed 4/4/12. Possible wrapup.

BUDGET CORRECTIONS: VOTED to allow the Chair & Vice Chairs to make small budget adjustments without requiring a revote. Unanimous.

RESERVE FUND BALANCE: \$618,975.

Peter Howard 3/29/12 , revised 4/4/12

cc FinCom Members, Town Web Site, Robbins Library

Ref 1 Vote of The Board Of Selectmen (proposed)

Ref 2 Minuteman Regional Vocational School Building Project

Ref 3 Proposed Votes Art 12, 13

Ref 4 Positions Reclassification Article 39

Ref 5 W&S Enterprise Fund Presentation

Ref 6 Group Health Insurance

Article 56 of the Warrant for the
Annual Town Meeting of the
Town of Arlington at the session
held May 24, 2010.

ATTEST:
Town Clerk

ARTICLE 57 APPROPRIATION/MINUTEMAN REGIONAL VOCATIONAL TECHNICAL HIGH SCHOOL

VOTED: (UNANIMOUSLY) (QUORUM PRESENT)

That the sum of \$3,739,795 hereby is appropriated for the purpose of paying the Town's apportioned share of the operating and maintenance costs, including capital costs, of the Minuteman Regional Vocational Technical High School District Budget; said sum to be raised by general tax and expended under the direction of the Minuteman Regional Vocational Technical High School Committee.

A true copy of the vote under
Article 57 of the Warrant for the
Annual Town Meeting of the
Town of Arlington at the session
held May 24, 2010.

ATTEST:
Town Clerk

ARTICLE 58 MINUTEMAN REGIONAL VOCATIONAL TECHNICAL SCHOOL -BOND AUTHORIZATION FOR FEASIBILITY STUDY

VOTED: (UNANIMOUSLY) (QUORUM PRESENT)

That the Town hereby approves the debt authorized by the Minuteman Regional School District School Committee on March 30, 2010 for the purpose of conducting a feasibility study. This approval is made with the understanding that Minuteman Regional School District will comply with the following conditions as put forth in the letter from its Superintendent.

- ✓ 1. The Superintendent agrees to perform an enrollment study as the first phase of the feasibility study.
2. The letter must include a timetable for the enrollment study. It is recommended that both the enrollment study and Regional Agreement Task Force report be completed in time for review by the member towns by March 1, 2011.
3. The letter must state agreement that the enrollment study include the issue of whether the school is viable with the current and future district enrollments.
4. The enrollment study must be accompanied by a strategic plan that outlines the steps the District will take either to increase enrollment; bring school size, programs and costs in line with enrollment; or merge with another district so that per pupil costs are in line with the State average for vocational schools.
- ✓ 5. The Superintendent agrees that each of the five largest member towns, by district enrollment, have a seat on the building committee, with the representatives chosen by the towns.
6. Before phase two starts, the Regional Agreement Task Force's (RATF) work and recommendations must be complete. The RATF's recommendations should strongly consider the following changes to the regional agreement:
 - a) That each School Committee Member's vote reflects their town's proportion of the total student enrollment or at least is modified to take into account that proportion.
 - b) Towns can exit the agreement upon 5 years notice.
 - c) Towns leaving the District will be responsible for bond obligations and have some residual contribution obligation for a period of time.
 - done d) Out of district students should pay (combination of municipality and state payments) at least a certain percentage of in-district tuition.
7. The Superintendent agrees not to expend funds on the second phase of the feasibility study (architect, project manager, etc.) unless all 16 member towns approve, or not disapprove, of the enrollment and RATF's conclusions.

A true copy of the vote under
Article 58 of the Warrant for the
Annual Town Meeting of the
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ATTEST:
Town Clerk

no vote by RATF

1 of 4

*also operating
assessment
3 yr avg 55%
capital assessment*

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- no vote by RATF*
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 2. The letter must include a timetable for the enrollment study. It is recommended that both the enrollment study and Regional Agreement Task Force report be completed in time for review by the member towns by March 1, 2011.
 3. The letter must state agreement that the enrollment study include the issue of whether the school is viable with the current and future district enrollments.
 4. The enrollment study must be accompanied by a strategic plan that outlines the steps the District will take either to increase enrollment; bring school size, programs and costs in line with enrollment; or merge with another district so that per pupil costs are in line with the State average for vocational schools.
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ATTEST:
Town Clerk

Disagreed Project based on #7 Fin Com & recommend BOS also disagree 2

Ref 2

MINUTEMAN REGIONAL VOCATIONAL SCHOOL BUILDING PROJECT

A. General Discussion:

- ✓ 1. The Arlington Finance Committee does not recommend the Town pay for a larger school than is reasonably necessary to meet the needs of Minuteman's member towns. A school for 600 students would provide a viable sized school to meet future needs, considering that the District currently has less than 400 full time high school students from member towns. If the Massachusetts School Building Authority determines it is desirable for the District to provide additional seats for non-member students, however, the state should pay for 100% of the additional cost for a larger school.
- ✓ 2. In recognition of the Arlington Town Meeting Vote on Article 58 to the 2010 Annual Meeting, significant changes must be made to the Minuteman School District's Regional Agreement. As to assessments for capital improvements, the Regional Agreement Task Force has made recommendations that will not only help make capital assessments fairer by requiring all members to make a minimum payment, but will also introduce ability to pay as a factor. These changes will also make it much more attractive for other cities and towns to join the District, thereby benefiting all members.

B. Directions the Superintendent may need from the Town of Arlington regarding our requirements to support moving forward toward the next stage of the School Building Project.

- ✓ 1. Changes to regional agreement.
 - a. Capital cost allocation (minimum allocations).
 - b. New terms for exit from agreement (other than through unanimous consent of remaining member towns).
 - c. Voting power proportional to student representation in population (One Town/One Vote is not equitable in light of enrollment discrepancies among member towns).
2. A description from Arlington as to what benefits we are looking for our students; what is best for Arlington.
- ✓ 3. Viable and actionable plan for additional municipalities with strong student populations to join the regional district.
4. Our thoughts on how this will be paid for – how much it will cost, how much we can afford, what can be explained to voters if a referendum is necessary

C. Alternatives

1. We should organize our ideas on alternative solutions- e.g. busing students to alternative schools or forming a new regional district, if the cost would be the same or less.
2. If changes are not made to the Regional Agreement, the Arlington FinCom would recommend school committee voting based upon each town's assessment.

Charlie, Steve & Al.

Proposed Votes - Article 12, 13 -- REVISED 3.28.12**ARTICLE 12****VOTE-BYLAW AMENDMENT/HUMAN
RESOURCES DEPARTMENT**

To see if the Town will vote to (1) consolidate Town and School human-resource functions; and/or (2) to amend the Town Bylaws to facilitate such consolidation and/or to implement amendments to the Town Manager Act voted by 2011 Annual Town Meeting; or take any action related thereto.

(Inserted at the request of the Town Government Reorganization Committee)

Proposed Vote:

VOTED: That the Title I, Article 6 ("Classification and Compensation Plans and Personnel By-Law") of the Town Bylaws be and hereby is amended by (a) in the title of the article, replacing "Personnel" with "Human Resources"; (b) in Section 1, replacing "Personnel" with "Human Resources" and inserting after the word "Director" the parenthetical phrase, "(for purposes of this article, 'Director')"; (c) throughout the article, deleting the word "Personnel" each time it appears before the word "Director"; (d) throughout the article, deleting the word "Personnel" each time it appears before the word "Board" and replacing it with the words "Human Resources"; (e) throughout the article, deleting the word "Personnel" each time it appears before the word "Department" and replacing it with the words "Human Resources"; (f) in the second sentence of Section 3, replacing the word "statue" with the word "statute"; (g) in the first sentence of Section 4, deleting the words "subject to the approval of the Board of Selectmen"; (h) in Section 5, deleting the words "of the Town"; (i) in the first sentence of Section 13(G), replacing "Town Accountant" with "Comptroller"; and (j) deleting the text of Section 17 in its entirety and replacing it with the word "DELETED."

ARTICLE 13**BYLAW AMENDMENT/BUDGET SUBMISSIONS**

To see if the Town will vote to amend the Town Bylaws relative to annual departmental budget estimates, including but not limited to Title I, Article 11 ("Program Budget"); or take any action related thereto

(Inserted at the request of the Town Government Reorganization Committee)

Proposed Vote:

VOTED: That the Town Bylaws be and hereby are amended by (a) deleting the text of Article 11 ("Program Budget") of Title I; and (b) replacing it with the word "DELETED."

2012 Town Meeting Request – Positions Reclassification Article 39

1. By reclassifying the following positions:

A. Social Worker – ATP7 to ATP8 Health and Human Services	FTE1 \$2,251
B. Director of Youth Services ATP9 to ATP11 Health and Human Services	FTE1 \$6,688
C. Public Health Nurse ATP7 to ATP8 Health and Human Services	FTE .4571 \$1,028
D. Office Manager – Health and Human Services ATP5 to ATP6 Department of Health and Human Services	FTE1 \$2,662
E. Recreation Facilities Supervisor ATP6 to ATP7 Recreation	FTE1 \$2,782
F. MEO III – Water MC5 to MC6 Public Works	FTE1 \$2,475
G. Water Systems Maintenance Craftsman – MC5 to MC6 Public Works	FTE5 \$12,376
H. Assistant Collector (Real Estate) OA5 to OA6 Treasurer	FTE1 \$3,338

33,601.13

2. By adding the following positions:

- A. Paralegal – Town Counsel ATP5
Legal Department
- B. Administrative Assistant- Police ATP4
Community Safety
- C. Administrative Assistant – Fire ATP3
Community Safety
- D. Youth Coalition Director – ATP8
Health and Human Services
- E. Working Foreman – Paint Shop –MC7
Public Works

F. Economic Development Coordinator – ATP12
Planning and Community Development

3. By deleting the following positions:

A. Customer Service Representative ATP3
Public Works

B. Senior Clerk and Typist – Veterans OA2
Health and Human Services

C. Purchasing Assistant OA3
Town Manager's Office

D. Legal Secretary – Town Counsel OA6
Legal Department

E. Assistant Computer Operator OA3
Information Technology

F. Office Manager – Community Safety ATP5
Community Safety

G. Office Manager – DPW ATP5
Public Works

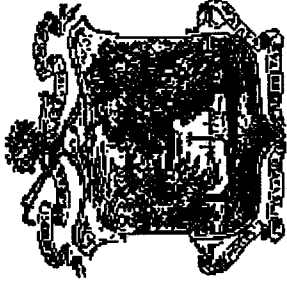
H. Sign Painter – MC5
Public Works

Proposed FY13 Water and Sewer Budget Summary

Reference #	Line Item	Original Budget Amount	Revised Budget Amount	Difference	Description
1	Salaries and Wages (Sewer)	492,101	492,101	\$0	This line item represents the Public Works portion of the W&S offset split evenly between the water and sewer budgets based on FY12 budgeted expenses for Public Works Administration, Highway, Engineering and Vehicle Repair Divisions
1	Salaries and Wages (Water)	492,101	492,101	\$0	
2	Retirement Costs (Sewer)	450,271	450,271	\$0	'Retirement Costs' line item is the sum of allocated retirement expenditures to other town departments based upon W&S operating costs as a % of total town operating costs plus direct charges related to Water and Sewer employees; The total is then split equally among the water and sewer budgets
2	Retirement Costs (Water)	450,271	450,271	\$0	
3	Health Benefits (Sewer)	306,399	306,399	\$0	'Health Benefits' includes the direct health related charges for Water and Sewer employees and the allocated health costs to other town departments
3	Health Benefits (Water)	306,399	306,399	\$0	
4	Indirect Costs (Sewer)	242,866	242,866	\$0	Indirect Costs' are calculated as Water and Sewer expenditures as a % of departmental budgets supporting Water and Sewer operations; Relevant departments include Personnel, IT, Legal, etc.
4	Indirect Costs (Water)	242,866	242,866	\$0	
5	MWRA Assessment (Sewer)	7,723,305	7,483,362	(\$239,943)	Revised MWRA assessment based on updated February 13, 2012 preliminary assessments from
5	MWRA Assessment (Water)	4,545,650	4,713,024	\$167,374	MWRA
6A	Maturing Town Debt Principal (Sewer)	165,100	165,100	\$0	New line item for first year of principal and interest on \$1.3 million town issued August 2011 loan
6B	Maturing Town Debt Principal (Sewer)	224,595	224,595	\$0	Line item includes \$208,395 for MWRA Sewer loan principal and \$16,200 for anticipated FY13 interest charge on planned \$1M town debt issuance
7	Drain Rehabilitation (Stormwater)	100,000	100,000	\$0	New line item in FY13 to begin addressing anticipated costs associated with soon to be released EPA stormwater regulations; Scope in future fiscal years will depend on scope of mandate and \$0 available outside funding sources
8	Salaries and Wages (Water Distribution System)	783,601	783,601	\$0	Covers salary/wages and step increase for 16.5 water and sewer full time equivalent positions
9	Heating Fuel (Water/Sewer Properties)	32,000	32,000	\$0	Increase of \$9,900, or 44.8% reflects anticipated fuel savings from new heating system were exaggerated and line item needs to be revised to better reflect actual use
10	Maturing Town Debt Principal (Water Capital)	253,575	237,375	(\$16,200)	Correction: \$16,200 was mistakenly added to Water Capital line item and should have only been added to the Maturing Town Debt Principal (Sewer) line item as referenced under the description for Reference #6B
11	Pickup Truck (Water Main Capital Outlay)	45,000	45,000	\$0	Decrease based upon plan to purchase only one new pickup truck
12	Lift Station Upgrades (Water Main Capital Outlay)	100,000	100,000	\$0	\$50K increase as part of the plan to perform various short and long term improvements to the town's nine lift stations; Final year of funding for upgrade program scheduled in FY14
Subtotal Expenses				(\$88,769)	
13	Use of Retained Earnings (Revenue)	(1,050,258)	(961,489)	\$88,769	Proposal to use \$1,050,258 from Retained Earnings fund to limit Water and Sewer rate increase to 7.5%; Reduction in line item of \$88,769 reflects adjustments in Proposed FY13 Expenses above
Subtotal Revenue				\$88,769	

5

Presentation to the Arlington Finance Committee



Water and Sewer Enterprise Fund - Proposed FY13 Budget

Ryan Ferrara

	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT INC/(DEC)	PCT CHANGE	REFERENCE #
SEWER COLLECTION SYSTEM							
5101 SALARIES & WAGES	402,537	433,794	453,281	492,101	38,820	8.56%	1
5199 SALARY INCREASE	-	-	-	-	-	-	
5203 DATA PROCESSING EXPENSES	2,664	-	-	-	-	-	
5241 UNIFORMS, BADGES, & GLOVES	-	-	-	-	-	-	
5299 EXPENSES	900	-	-	-	-	-	
SUBTOTAL SEWER COLLECTION SYSTEM	406,101	433,794	453,281	492,101	38,820	8.56%	
INDIRECT CHARGES - SEWER							
5701 WORKERS COMP COST	6,000	6,000	6,000	6,000	-	0.00%	
5702 UNEMPLOYMENT COMPENSATION	1,500	1,500	1,500	1,500	-	0.00%	
5707 RETIREMENT COSTS	371,199	376,063	424,329	450,271	25,942	6.11%	2
5713 HEALTH BENEFITS	269,073	361,905	385,443	306,399	(79,044)	-20.51%	3
5903 INDIRECT COSTS	243,430	242,136	242,200	242,866	666	0.27%	4
SUBTOTAL INDIRECT CHARGES - SEWER	891,201	987,604	1,059,472	1,007,036	(52,436)	-4.95%	
SEWER COLLECTION EXPENSES							
5202 MAINTENANCE	16,029	63,114	70,000	70,000	-	0.00%	
5211 ENERGY	25,147	19,289	29,000	29,000	-	0.00%	
5218 TRAINING	1,200	110	2,000	2,000	-	0.00%	
5224 OTHER SUPPLIES	27,376	41,135	24,000	24,000	-	0.00%	
5249 REPS & MAINT: VEHICLES	-	-	-	-	-	-	
SUBTOTAL SEWER COLLECTION EXPENSES	69,751	123,649	125,000	125,000	-	0.00%	
MWRA ASSESSMENT - SEWER							
5630 MWRA ASSESSMENT	6,732,264	6,763,055	7,253,472	7,483,362	229,890	3.17%	5
SUBTOTAL MWRA ASSESSMENT SEWER	6,732,264	6,763,055	7,253,472	7,483,362	229,890	3.17%	
MATURING DEBT/SEWER CAPITAL PROJECTS							
5580 REHAB WATER MAINS	-	-	-	-	-	-	6A
5760 MATURING TOWN DEBT PRINCIPAL	-	-	-	165,100	165,100	-	
433001 MWRA VII FINANCE GRANT	(107,280)	(126,000)	-	-	-	-	
433002 MWRA VII FINANCE LOAN	(1,231,120)	(154,000)	-	-	-	-	
5580 REHAB WATER MAINS	1,440,750	1,203,739	-	-	-	-	
5760 MATURING TOWN DEBT PRINCIPAL	320,298	304,645	312,125	224,595	(87,530)	-28.04%	6B
5580 REHAB SEWER	200,000	231,905	200,000	200,000	-	0.00%	
SUBTOTAL MATURING DEBT/SEWER CAPITAL PROJECTS	622,648	1,460,288	512,125	589,695	(103,730)	-20.25%	
TOTAL SEWER COLLECTION SYSTEM	8,721,965	9,768,390	9,403,350	9,697,194	293,844	3.12%	

	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT INC/(DEC)	PCT CHANGE	REFERENCE #
STORM SEWERS COLLECTION SYSTEM							
5202 MAINTENANCE	62,694	25,484	71,000	71,000	-	0.00%	
5218 TRAINING	-	-	-	-	-		
5224 OTHER SUPPLIES	-	-	5,000	5,000	-	0.00%	
5249 REPS & MAINT:VEHICLES	-	-	-	-	-		
5580 DRAIN REHAB	-	-	-	100,000	100,000		7
TOTAL STORM SEWERS COLLECTION SYSTEM	62,694	25,484	76,000	176,000	100,000	131.58%	

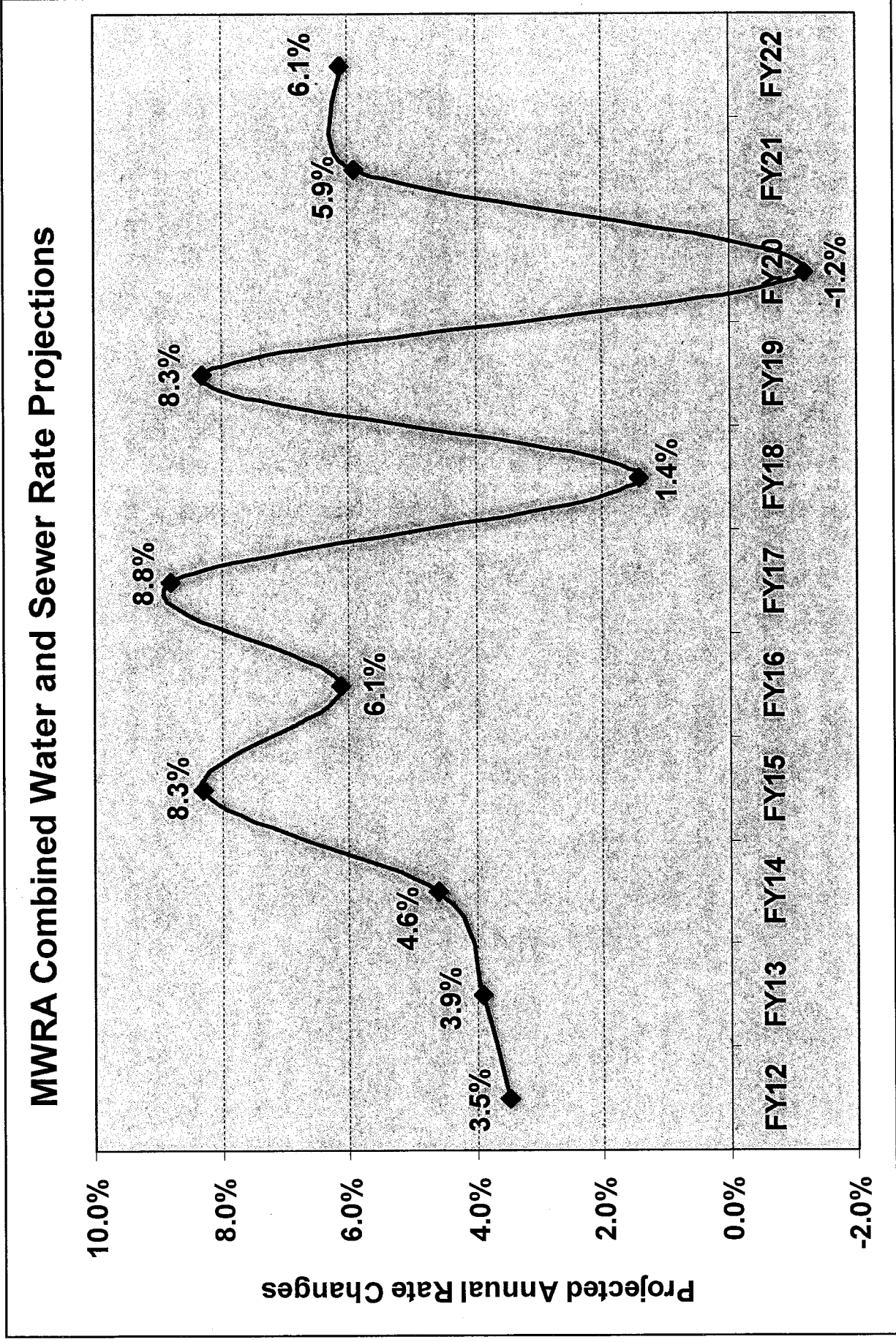
	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT INC/(DEC)	PCT CHANGE	REFERENCE #
WATER DISTRIBUTION SYSTEM							
5101 SALARIES & WAGES	741,649	697,337	758,239	783,601	25,362	3.34%	8
5102 SALARIES & WAGES TEMP	18,750	8,523	18,750	18,750	-	0.00%	
5103 OVERTIME	206,311	152,038	100,000	100,000	-	0.00%	
5111 DOUBLE TIME	59,189	54,454	30,000	30,000	-	0.00%	
5119 OUT OF GRADE PAY	2,376	1,166	2,000	2,000	-	0.00%	
5156 LONGEVITY	5,600	6,533	6,272	6,492	220	3.51%	
5199 SALARY INCREASE	-	-	-	-	-	-	
5260 CLEANING ALLOWANCE	-	13,341	20,800	20,800	-	0.00%	
5830 EQUIPMENT	48	-	-	-	-	-	
SUBTOTAL WATER DISTRIBUTION SYSTEM	1,033,923	933,393	936,061	961,643	25,582	2.73%	
INDIRECT CHARGES - WATER							
5701 WORKERS COMP COST	1,000	1,000	1,000	1,000	-	0.00%	
5702 UNEMPLOYMENT COMPENSATION	1,000	1,000	1,000	1,000	-	0.00%	
5707 RETIREMENT COSTS	371,199	376,063	424,329	450,271	25,942	6.11%	2
5713 HEALTH BENEFITS	269,073	361,905	385,443	306,399	(79,044)	-20.51%	3
5780 WATER	-	-	-	-	-	-	
5903 INDIRECT COSTS	242,790	242,136	242,200	242,866	666	0.27%	4
SUBTOTAL INDIRECT CHARGES - WATER	885,061	982,104	1,053,972	1,001,536	(52,436)	-4.98%	
WATER DISTRIBUTION							
5202 MAINTENANCE	63,240	74,750	110,000	110,000	-	0.00%	
5211 ENERGY	-	-	-	-	-	-	
5218 TRAINING	2,044	3,673	5,000	5,000	-	0.00%	
5224 OTHER SUPPLIES	217,555	231,022	220,000	220,000	-	0.00%	
5241 UNIFORMS, BADGES, & GLOVES	5,200	4,800	5,600	5,600	-	0.00%	
5260 CLEANING ALLOWANCE	300	-	300	300	-	0.00%	
5299 EXPENSES	-	-	-	-	-	-	
5530 MAINT WATER DISTRIBUTION	-	-	-	-	-	-	
SUBTOTAL WATER DISTRIBUTION	288,339	314,244	340,900	340,900	-	0.00%	
MWRA ASSESSMENT - WATER							
5630 MWRA ASSESSMENT	3,893,299	3,993,340	4,080,393	4,713,024	632,631	15.50%	5
SUBTOTAL MWRA ASSESSMENT - WATER	3,893,299	3,993,340	4,080,393	4,713,024	632,631	15.50%	
TOTAL WATER DISTRIBUTION SYSTEM	6,100,622	6,223,080	6,411,326	7,017,103	605,777	9.45%	

	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT INC/(DEC)	PCT CHANGE	REFERENCE #
WATER/SEWER PROPERTIES							
5101 SALARIES & WAGES	402,537	433,794	453,281	492,101	38,820	8.56%	1
5211 ENERGY	23,109	27,493	28,600	28,600	-	0.00%	
5214 HEATING FUEL	31,055	36,128	22,100	32,000	9,900	44.80%	9
5299 EXPENSES	1,161	614	-	-	-		
5530 MAINT WATER DISTRIBUTION	2,506	2,524	4,000	4,000	-	0.00%	
TOTAL WATER/SEWER PROPERTIES	450,367	500,554	507,981	556,701	48,720	9.59%	
REHAB WATER SYSTEM CAPITAL							
5580 REHAB WATER MAINS	7,847	383,320	100,000	100,000	-	0.00%	
TOTAL REHAB WATER SYSTEM CAPITAL	7,847	383,320	100,000	100,000	-	0.00%	
MATURING DEBT/WATER CAPITAL PROJECTS							
5760 MATURING TOWN DEBT PRINC	349,300	459,300	559,300	524,900	(34,400)	-6.15%	
4520 INTEREST & DIVIDENDS	(4,443)	(3,697)	-	-	-		
5299 EXPENSES	-	-	-	-	-		
5760 MATURING TOWN DEBT PRINC	200,000	200,000	246,775	237,375	(9,400)	-3.81%	10
5830 EQUIPMENT	597,025	1,199,748	-	-	-		
TOTAL MATURING DEBT/WATER CAPITAL PROJECTS	1,141,883	1,855,351	806,075	762,275	(43,800)	-5.43%	
WATER MAINT CAPITAL OUTLAY							
5850 PICKUP TRUCK	75,000	-	75,000	45,000	(30,000)	-40.00%	11
5851 SMALL EQUIPMENT	5,000	4,875	-	5,000	5,000		
5850 WATER CAPITAL OUTLAY	-	-	45,000	-	(45,000)	-100.00%	
5830 HYDRANT REPLACEMENT	80,827	61,408	100,000	100,000	-	0.00%	
5850 LIFT STATION UPGRADES	-	28,481	50,000	100,000	50,000	100.00%	12
6525521 TELEMETRY SYSTEM UPGRADE	8,000	-	-	-	-		
6525522 TRASH PUMP	4,605	-	-	-	-		
6525522 TRASH PUMP	-	-	-	-	-		
TOTAL WATER MAINT CAPITAL OUTLAY	173,432	94,764	270,000	250,000	(20,000)	-7.41%	
TOTAL WATER DISTRIBUTION SYSTEM	7,884,151	9,057,069	8,095,382	8,686,079	590,697	7.30%	
TOTAL EXPENDITURES	16,668,810	18,850,943	17,574,732	18,559,273	984,541	5.60%	
PERSONNEL SERVICES SUMMARY							
EXPENSES SUMMARY	1,838,996	1,800,982	1,842,623	1,945,845	103,222	5.60%	
MWRA ASSESSMENT	482,179	530,136	596,600	706,500	109,900	18.42%	
INDIRECT CHARGES	10,625,563	10,756,395	11,333,865	12,196,386	862,521	7.61%	
CAPITAL AND DEBT	486,220	484,272	484,400	485,732	1,332	0.27%	
HEALTH INSURANCE	1,945,810	3,793,723	1,688,200	1,701,970	13,770	0.82%	
RETIREMENT	538,145	723,809	770,886	612,798	(158,088)	-20.51%	
WORKERS COMP/UNEMPLOYMENT	742,397	752,126	848,658	900,542	51,884	6.11%	
TOTAL	16,668,810	18,850,943	17,574,732	18,559,273	984,541	5.60%	
REVENUES	(15,395,616)	(18,525,358)	(17,579,732)	(18,559,273)	-	-	
BALANCE	1,273,194	325,584	(5,000)	-	-	-	

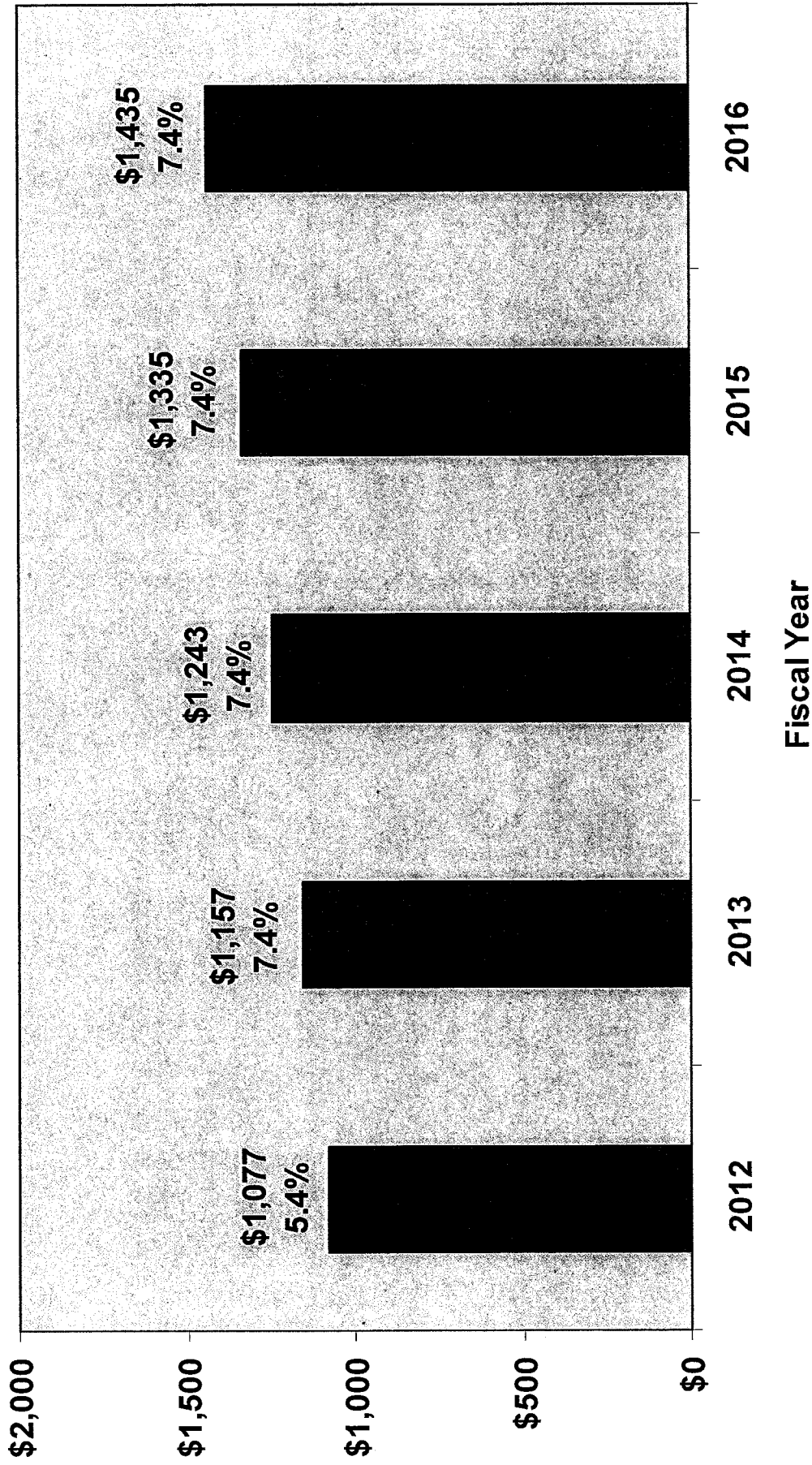
	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT INC(DEC)	PCT CHANGE	REFERENCE #
WATER/SEWER ENTERPRISE							
4520 INTEREST & DIVIDENDS	-	-	-	-	-	-	
4910 PROCEEDS FR SALE OF BONDS	-	-	-	-	-	-	
4972 TRANSFER FROM OTHER FUNDS	(5,593,112)	(5,593,112)	(5,593,112)	(5,593,112)	(677,546)	238.62%	13
4973 USE OF RETAINED EARNINGS	(287,809)	-	(283,943)	(961,489)	(315,982)	2.76%	
421000 USER CHARGES RECEIVABLE	(9,317,281)	(12,743,832)	(11,448,677)	(11,764,659)	(6,600)	5.50%	
421100 WATER LIENS	(125,313)	(114,377)	(120,000)	(126,600)	5,000	-100.00%	
421400 LIEN COSTS	(10,929)	(9,684)	(5,000)	(36,925)	3,075	-7.69%	
421900 INTEREST & PENALTIES	(31,274)	(34,987)	(40,000)	(17,000)	17,000	-	
4520 INTEREST & DIVIDENDS	(4,498)	(2,166)	(17,000)	(76,488)	(4,488)	6.23%	
422900 CONNECTION FEES	(25,400)	(27,200)	(72,000)				
TOTAL WATER/SEWER REVENUE	(15,395,616)	(18,525,358)	(17,579,732)	(18,559,273)	(979,541)	5.57%	

6045
Revenue

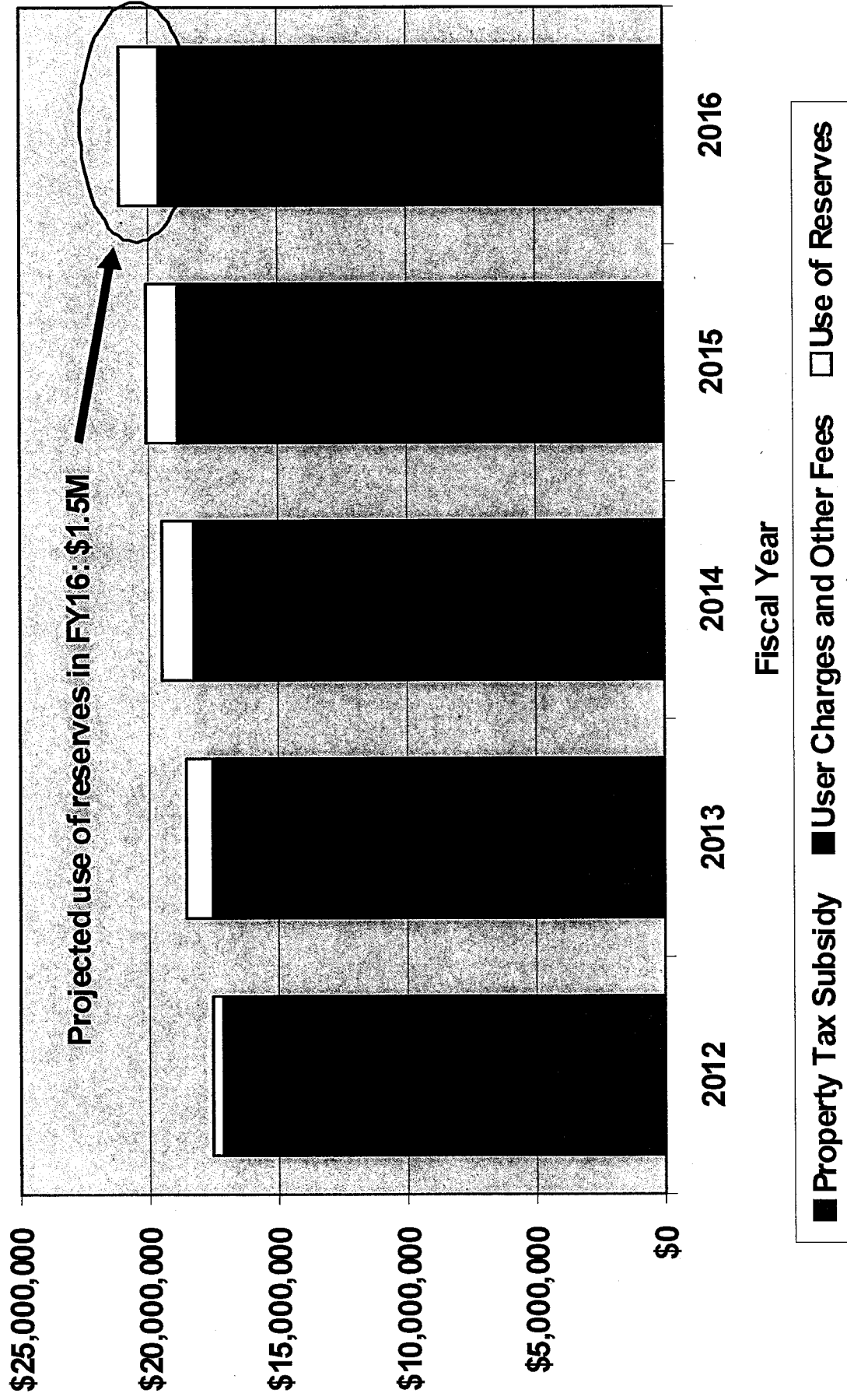
General Concerns Regarding the Water and Sewer Fund



FY2012 to 2016 Arlington Projected Average Residential Water and Sewer Rates @120 HCF



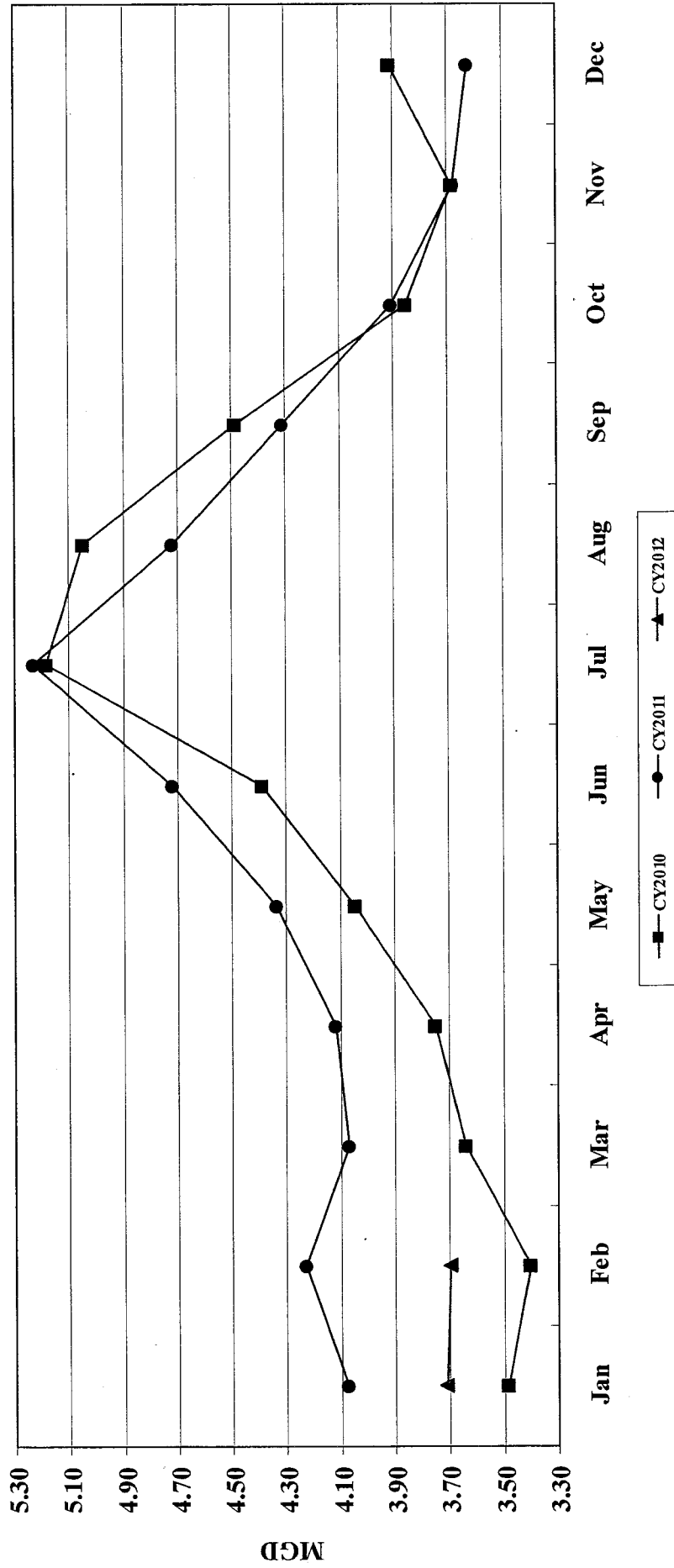
FY2012 to 2016 Arlington Revenue Projection



Fiscal Year	2012	2013	2014	2015	2016
Use of Reserves	\$465,423	\$961,489	\$1,241,341	\$1,164,809	\$1,537,111
Cash Reserve Balance	\$3,853,283	\$3,387,860	\$2,426,371	\$1,185,030	\$200,000
Recommended Reserve at 15% of Projected Revenue	\$2,636,960	\$2,783,891	\$2,920,176	\$3,008,495	\$3,168,111
Surplus/(Deficit)	\$1,216,323	\$603,969	(\$493,805)	(\$1,823,465)	(\$3,148,111)

- Mass DEP inflow and infiltration consent order
- EPA Stormwater regulations
- Unaccounted For Water @31%
- No Grey billing of town facilities
- MWRA FY13 water increase ≈ \$600K or 14.6%; System wide average = 6.8%

Arlington Water Consumption



- MWRA Local Pipeline Assistance Program (Water) ten year, interest free loan:
Available funding scheduled to sunset \$4.5 million

Potential Changes

- Reduce unaccounted for water via installation of new meters
- Reduce inflow and infiltration in sewer system with continued capital work
- Consider establishment of a separate stormwater fee

Summary Recommendations

- Decrease expenditures as outlined on 'Proposed FY13 Water and Sewer Budget Summary' by \$88,769
- Correspondingly adjust the 'Use of Retained Earnings' line item to (\$961,489)
- Recommendation to Finance Committee: Revise the FY13 Water and Sewer Enterprise Fund budget to include the adjustments outlined above, reflecting Final FY13 expenses and corresponding revenues of \$18,559,273

GROUP HEALTH INSURANCE									
5190 OFFSETS									
	FY2010 ACTUALS	FY2011 ACTUALS	FY2012 BUDGET	FY2013 PROJECTION	DOLLAR AMT (INC/DEC)	FCY CHANGE	2013 OFFSET		
5700 MEDICARE	13,746	15,225	(1,316,666)	(783,741)	532,925	-40.48%	(783,741)		
5703 OPT OUT PROGRAM	25,839	28,349	25,000	25,000	-	0.00%	-		
5704 INSURANCE: GROUP HEALTH	11,817,129	11,784,909	150,996	(187,999)	37,003	24.51%	24,511		
570401 HCHP EMPLOYEE SHARE	3,164,032	3,280,705	5,737,496	1,548,029	(5,737,496)	-100.00%	-100,000		
GROUP INSURANCE COMMISSION			1,548,029	(1,548,029)	(1,548,029)	-100.00%	-100,000		
EMPLOYEE HEALTH MITIGATION FUND			7,599,629	13,335,156	5,735,527				
570402 MANAGED BLUE FOR SENIORS	822,966	884,841	500,000	500,000					
5705 INSURANCE: GROUP LIFE	55,703	44,839	374,374		(374,374)	-100.00%	-100,000		
5706 FEDERAL MEDICARE WITHHOLDING	746,551	728,943	55,000	55,000	-	0.00%	0,000		
5709 FLEXIBLE BENEFIT PLAN/HRA	(3,107)	(794)	725,000	(745,000)	20,000	2.76%	2,760		
			800	50,800	50,000	6250.00%	6250,000		

TOTAL GROUP HEALTH INSURANCE	16,642,861	16,767,017	15,339,669	14,165,214	(4,284,445)	8.34%	(783,741)		
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